

Cost Share Committee Mtg
August 3, 2010

Participants:

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The Commission's Cost Share Committee met in the Archdale Building on August 3, 2010. The Committee offers the following recommendations to the Commission.

Recommendation Regarding Allocation of ACSP and CCAP Financial Assistance Funds

The Committee continued its discussion on allocation parameters for ACSP financial assistance funds. The Committee is recommending to change the Commission's allocation formula rule 15A NCAC 6E.0103 to eliminate the parameter #5 and shift the weight from this parameter to parameter #6. This would place greater emphasis on each district's performance at getting cost share funds implemented as BMPs on the ground. Changes are also proposed for parameters #3 to better match the parameter to the data sources available from the Division of Water Quality and #4 to match the parameter to the names and sources of data being used. Finally, a change is recommended to parameter #6 (previously #7) to clarify that the Commission is now using the number of acres of Highly Erodible Land instead of the average erosion rate (this change has been in effect since PY-2007)

There is also a recommendation to change the Allocation Rule for CCAP (15A NCAC 06I .0103) to reflect the actual data sources being used.

Recommendation Regarding Minimum Criteria for ACSP Technical Assistance Positions

The Committee is recommending a change to 15A NCAC 6E.0106 to establish a third criterion for qualifications for technical assistance positions. The third criterion would require a technical employee to obtain job approval authority from the Commission or NRCS for at least 2 BMPs (at least one must be an practice involving design) within 2 years of being hired or within 2 years of the effective date of the rule. The purpose of this is to help build district capabilities to do technical work as needed to implement the Commission's cost share programs. This recommendation is supported by the District Employee Training and Certification Workgroup. The proposed change also includes a new definition of a design practice.

Next Meetings (with likely topics for discussion):

September 14, 2010 10 am (Archdale Building)

Avoidance of conflicts of interest for cost shared district employees

Form for district supervisors to indicate technical services for cost share contracts

.0103 ALLOCATION GUIDELINES AND PROCEDURES

(a) The Commission shall allocate the cost share funds to the districts in the designated program areas. To receive fund allocations, each district designated eligible by the commission shall submit an annual strategy plan to the commission at the beginning of each fiscal year. Funds may be allocated to each district for any or all of the following purposes: cost share payments, cost share incentive payments, technical assistance, or administrative assistance. Use of funds for technical and administrative assistance must follow the guidelines set forth in Rule .0106 of this Subchapter.

(b) Funds shall be allocated to the districts at the beginning of the fiscal year and whenever the Commission determines that sufficient funds are available to justify a reallocation. Districts shall be allocated monies based on the identified level of agriculture-related nonpoint source pollution problems, the respective district's BMP installation goals as demonstrated in the district annual strategy plan, and the district's record of performance to affect BMP installation by cooperating farmers. The allocation method used for disbursement of funds is based on the relative position of each respective district for those parameters approved by the Commission pursuant to paragraph (g) of this rule. Each district is assigned points for each parameter, and the points are totaled and proportioned to the total dollars available under the current program year funding according to the following formula:

$$(1) \quad \text{Sum of Parameter Points} \qquad \qquad \qquad = \quad \text{Total Points}$$

$$(2) \quad \begin{array}{l} \text{Percentage Total Points} \\ \text{Each District} \end{array} \quad \times \quad \text{Total Dollars Available} \quad = \quad \begin{array}{l} \text{Dollars Available to Each} \\ \text{District} \end{array}$$

(3) The minimum allocated to a particular district shall be \$20,000 per program year, unless the district requests less than \$20,000.

(4) If a district requests less than the dollars available to that district in (2) above, then the excess funds beyond those requested by the district are shall be allocated to the districts who did not receive their full requested allocation using the same methodology described in (2) above.

(c) 95 percent of the total program funding shall be allocated to the district accounts in the initial allocation. The Division shall retain five percent of the total funding in a contingency fund to be used to respond to an emergency or natural disaster. If the funds are not needed to respond to an emergency, then the contingency fund will be allocated at the March meeting of the Commission.

(d) The Commission may recall funds allocated to a district during a fiscal year that have not been encumbered to an agreement at any time if it determines the recalled funds are needed to respond to an emergency or natural disaster.

(e) At any time a district may submit a revised strategy plan and apply to the Commission for additional funds

(f) CPOs that encumber funds under the current year must be submitted to the Division by 5:00 p.m. on the first Wednesday in June.

(g) Districts shall be allocated funds based on their respective data for each of the following parameters:

1. Percentage of total acres of agricultural land in North Carolina that are in the respective County (including cropland, hayland, pasture land, and orchards/vineyards) as reported in the most recent edition of the North Carolina Agricultural Statistics. The actual percentage shall be normalized to a 1-100 scale. (20%)
2. Percentage of total number of animal units in North Carolina that are in the respective County as reported in the most recent edition of the North Carolina Agricultural Statistics and converted to animal units using the conversion factors approved by the USDA – Natural Resources Conservation Service. The actual percentage shall be normalized to a 1-100 scale. (20%)
3. Relative rank of the percentage of the county outside of municipal boundaries as defined by North Carolina Department of Transportation draining to waters number of miles of stream identified as impaired or impacted on the most recent 305(b) report produced by the North Carolina Division of Water Quality. Relative rank of the number of miles of stream identified as less than fully supporting

- ~~due to agricultural nonpoint source pollution as reported in the state's 303(d) list, 305(b) report, and basin plan.~~ (20%)
4. Relative rank of the ~~Percentage~~ percentage of the county draining to waters classified as Primary Nursery Areas, Outstanding Resource Waters, High Quality Waters, and Trout, Shellfishing waters, and Critical Water Supply on the current schedule of Water Quality Standards and Classifications, Shellfish growing areas (open) as determined by DENR's Division of Marine Fisheries, and Drinking Water Assessment Areas as determined by DENR's Public Water Supply Section. (10%)
 - ~~5. The percentage of cost share funds allocated to a district that are encumbered to contracts in the highest three of the most recent four completed program years as reported on the NC Agriculture Cost Share Program Database.~~ (10%)
 - ~~6.5.~~ Percentage of program funds ~~encumbered to contracts~~ allocated to a district that are ~~actually~~ expended for installed BMPs in the highest three years of the most recent four-year period for which the allowed time for implementing contracted BMPs has expired as reported on the NC Agriculture Cost Share Program Database (~~40~~20%).
 - ~~7.6.~~ The relative rank of the number of acres of highly erodible ~~The average erosion rate for agricultural~~ land in the county as reported ~~in by~~ the ~~National Resources Inventory~~ United States Department of Agriculture Farm Service Agency, unless the State Conservationist of the Natural Resources Conservation Service specifies that another information source would be more current and accurate. (10%)

History Note: Authority G.S. 139-4; 139-8; 143-215.74; 143B-294;
Eff. May 1, 1987;
Recodified from 15A NCAC 6E .0003 Eff. December 20, 1996;
Amended Eff. April 1, 1997, March 27, 2002, August 18, 2005.

.0106 TECHNICAL ASSISTANCE FUNDS

(a) The funds available for technical assistance shall be allocated by the commission based on the recommendation of the division and the needs as expressed by the district and needs to accelerate the installation of BMP's in the respective district. Each district may use these monies to fund new positions or to accelerate present technical assistance positions. Districts must provide an itemized budget to the division in order to qualify for technical assistance funds. Matching funds for district technical assistance shall be approved by the commission prior to any expenditure of funds. Budget revisions submitted by the districts may be approved by the NPS Section based on Paragraph (b) of this Rule. N. C. Agriculture Cost Share technical assistance funds may be used for each FTE technical position with the district matching at least 50 percent of the total. Priorities for funding positions shall be assigned as follows:

- (1) Subject to availability of funds and local match, provide support for one FTE technical position for every district.
- (2) Subject to availability of funds and local match, provide support for additional FTE technical position if the position is needed to further support program implementation. Priority for funding positions beyond one FTE per district shall be based on the following parameters:

- a. Whether the position is presently funded by program technical assistance funds.
- b. The number of program dollars encumbered to contracts in the highest three ~~each~~ of the previous four completed program years, and
- c. The number of program dollars actually expended for installed BMPs in the highest three years of the most recent four-year period for which the allowed time for implementing contracted BMPs has expired as reported on the NC Agriculture Cost Share Program Database

- (3) Subject to availability of funds and local match, provide support for additional FTE technical position if the position is needed to further accelerate treatment of identified critical nonpoint source pollution problem(s).

(b) Technical assistance funds may be used for salary, benefits, social security, field equipment and supplies, office rent, office equipment and supplies, postage, telephone service, travel and mileage. A maximum of two thousand five hundred dollars (\$2,500) per year for each FTE technical position is allowed for mileage charges.

(c) Technical assistance funds may not be used to fund technical assistance positions which do not meet the following minimum requirements:

- (1) associated degree in engineering, agriculture, forestry or related field, or
- (2) high school diploma with two years experience in the fields listed in Rule .0106(c)(1), of this Section, or

(3) the employee has obtained Job Approval Authority for a minimum of two best management practices from the Commission or the USDA Natural Resources Conservation Service within two years of being hired or within two years of the effective date of this rule, whichever is later. At least one of the best management practices for which the employee has obtained Job Approval Authority must be a design practice, or

(d) Design practice means an engineering practice as defined by the Natural Resources Conservation Service or in the commission cost share programs Detailed Implementation Plan.

~~(e)~~ Cost shared positions must be used to accelerate the program activities in the district. A district technician cost shared with program funds may work on other activities as delegated by the field office supervisor but the total hours charged to the program by field office personnel must equal or exceed those hours funded through the program. Also, these hours must be in addition to those hours normally spent in BMP planning and installation by district personnel. Reword to improve clarity.

~~(f)~~ District technicians cost share positions may be jointly funded by more than one district to accelerate the program in each participating district. Each district must be eligible for cost sharing in the program. Requests for funding (salary, FICA, insurance, etc.) of a shared position must be presented to the division by all concerned districts and the division shall cost share to the billing district at a 50-50 rate based on the portion of the FTE provided each respective district. A shared position must be officially housed in one specific district and cost share for support items (office rent, telephone, etc.) shall be paid to one district only.

~~(g)~~ Funds, if available, shall be allocated to each participating district to provide for administrative costs under this program. These funds shall be used for clerical assistance and other related program administrative costs and shall be matched with in-kind funds of an equal amount from the district.

*History Note: Authority G.S. 139-4; 139-8; 143-215.74; 143B-294;
Eff. May 1, 1987;
Amended Eff. July 1, 1992;
Recodified from 15A NCAC 6E .0006 Eff. December 20, 1996;*

Amended Eff. November 1, 1997, August 18, 2005.

15A NCAC 06I .0103 ALLOCATION GUIDELINES AND PROCEDURES

(a) The Commission shall allocate the cost share funds to the districts in the designated program areas. To receive fund allocations, each district designated eligible by the commission shall submit an annual strategy plan to the commission at the beginning of each fiscal year. Funds may be allocated to each district and the Division for any or all of the following purposes:

- (1) Cost share and cost share incentive payments,
- (2) technical assistance and administrative assistance, and
- (3) statewide or local education and outreach activities.

(b) The Commission shall consider the relative needs of the program for BMP implementation, local technical assistance, and education to determine the proportion of available funds to be allocated for each eligible purpose prior to allocating funds to districts and the Division.

(c) Funds for cost share and cost share incentive payments shall be allocated to the districts at the beginning of the fiscal year and whenever the Commission determines that sufficient funds are available to justify a reallocation. Districts shall be allocated monies based on the identified level of nonpoint source pollution problems and the respective district's BMP installation goals as demonstrated in the district annual strategy plan. The allocation method used for disbursement of funds is based on the score of each respective district for those parameters approved by the Commission pursuant to Subparagraph (9) of this Paragraph. The points each district scores on each parameter are totaled and proportioned to the total dollars available under the current program year funding according to the following formula:

- (1) Sum of Parameter Points = Total Points
- (2) Percentage Total x Total Dollars = Dollars Available
Points Each District Available to Each District

(3) The minimum allocated to a particular district shall be one thousand five hundred dollars (\$1,500) per program year, unless the district requests less than one thousand five hundred dollars (\$1,500).

(4) If a district requests less than the dollars available to that district in Subparagraph (2) of this Paragraph, then the excess funds beyond those requested by the district shall be allocated to the districts who did not receive their full requested allocation using the same methodology described in Subparagraph (2) of this Paragraph.

(5) 95 percent of the total program funding shall be allocated to the district accounts in the initial allocation. The Division shall retain five percent of the total funding in a contingency fund to be used to respond to an emergency or natural disaster. If the funds are not needed to respond to an emergency, then the contingency fund shall be allocated at the March meeting of the Commission.

(6) The Commission may recall funds allocated to a district during a fiscal year that have not been encumbered to an agreement at any time if it determines the recalled funds are needed to respond to an emergency or natural disaster.

(7) At any time a district may submit a revised strategy plan and apply to the Commission for additional funds.

(8) CPOs that encumber funds under the current year must be submitted to the Division by 5:00 p.m. on the first Wednesday in June.

(9) Districts shall be allocated funds based on their respective data for each of the following parameters:

- (A) Relative rank of the percentage of the county draining to waters identified as impaired or impacted on the most recent 305(b) report produced by the North Carolina Division of Water Quality. Relative rank of the number of miles of stream identified as less than fully supporting due to nonpoint source pollution as reported in the North Carolina Water Quality Assessment and Impaired Waters List and the most recent Basinwide Water Quality Plan for each river basin, where the source of pollution is not solely due to agriculture. (20 percent) The North Carolina Water Quality Assessment and Impaired Waters list and the Basinwide Water Quality Plans are produced by the Division of Water Quality.

- (B) Relative rank of the percentage of the county draining to waters classified as Outstanding Resource Waters, High Quality Waters, Trout Waters, or Shellfishing (open) on the current schedule of Water Quality Standards and Classifications, and Shellfish

growing areas (open) as determined by DENR's Division of Marine Fisheries. (20 percent)

- (C) The percentage of each county covered by NPDES Phase I and Phase II requirements. (20 percent)
- (D) Relative rank of population density for the county. (20 percent)
- (E) Relative rank of the percentage of a county's land area that is located within drinking water assessment areas, as delineated by the Public Water Supply Section of the Division of Environmental Health. (20 percent)

(d) The funds available for technical and administrative assistance shall be allocated by the Commission based on the needs as expressed by the district and needs to accelerate the installation of BMPs in the respective district. Each district may use these monies to fund new positions or to accelerate present technical assistance. Districts must provide an itemized budget to the division in order to qualify for technical assistance funds. N.C. Community Conservation Assistance Program technical assistance funds may be used for technical assistance with the district matching at least 50 percent of the total. Each district to which funds are allocated for technical assistance shall demonstrate to the Commission that matching funds are available prior to any expenditure of funds. The allocation method used for disbursement of funds is based on the score of each respective district for those parameters approved by the Commission pursuant to Subparagraph (4) of this Paragraph. The points each district scores for each parameter are totaled and proportioned to the total dollars available under the current program year funding according to the following formula:

$$\begin{array}{llllll} (1) & \text{Sum of Parameter Points} & & = & & \text{Total} \\ & \text{Points} & & & & \\ (2) & \text{Percentage Total} & \times & \text{Total Dollars} & = & \text{Dollars} \\ & \text{Available} & & & & \\ & \text{Points Each District} & & \text{Available} & & \text{to Each} \\ & \text{District} & & & & \end{array}$$

- (3) If a district requests less than the dollars available to that district in Subparagraph (2) of this Paragraph, then the excess funds beyond those requested by the district shall be allocated to the districts who did not receive their full requested allocation using the same methodology described in Subparagraph (2) of this Paragraph.
- (4) Priority for funding shall be based upon the following parameters:
 - (A) Whether the position is presently funded by Community Conservation Assistance Program technical assistance funds. (25 percent)
 - (B) The proportion of Community Conservation Assistance Program funds for cost share and cost share incentive allocated to districts served by this technical assistance request (normalized to 1 to 100 scale by multiplying each district's score by a factor such that the product of the highest score for this parameter is 100) (50 percent), and
 - (C) The amount of additional funds leveraged by grants and other funds committed to districts served by this technical assistance request (normalized to 1 to 100 scale by multiplying each district's score by a factor such that the product of the highest score for this parameter is 100). (25 percent)
- (5) Subject to availability of funds and local match, provide support for technical assistance for every district.
- (6) District technicians may be jointly funded by more than one district to accelerate the program in each participating district. Each district must be eligible for cost sharing in the program. Requests for funding (salary, FICA, insurance, etc.) of a shared position must be presented to the division by all concerned districts and the division shall cost share to the billing district at a 50-50 rate based on the portion of the FTE provided each respective district. A shared position must be officially housed in one specific district and cost share for support items (office rent, telephone, etc.) shall be paid to one district only.
- (7) Funds, if available, may be allocated to each participating district to provide for administrative costs under this program. These funds shall be used for clerical assistance and other related program administrative costs and shall be matched with in-kind funds of an equal amount from the district.

(e) The funds available for the education and outreach purpose shall be allocated by the Commission based on the needs as expressed by the district and needs to accelerate the installation of BMPs in that respective district. Districts and the Division may use these funds for holding workshops for potential applicants and for developing,

duplicating, and distributing outreach materials or signs. Districts must provide an itemized budget to the Division in order to qualify for education and outreach funds. Education and outreach funds shall be allocated to each district in accordance with the following formula:

- (1) Each district shall receive the lesser of one thousand dollars (\$1,000) or the result of the following equation:

$$\begin{array}{ccccccc} \text{Total Dollars} & \times & \text{Total Dollars} & \div & \text{Total Dollars} & = & \text{Dollars Available to} \\ \text{Available} & & \text{Requested by Each} & & \text{Requested by All} & & \text{Each District} \\ & & \text{District} & & \text{Districts} & & \end{array}$$

- (2) If more funds are available for allocation than are requested by districts or the Division, then the excess funds shall be added to the funds to be allocated for cost share and cost share incentive payments.

History Note: Authority G.S. 139-4; 139-8; 143-215.74M; 143B-294;
Eff. January 1, 2008.

